

Fort 21 #1

# PECOS PRODUCTION COMPANY

400 W. Illinois, Suite 1070  
MIDLAND, TEXAS 79701  
915-620-8480 915-683-1628 fax

# FAX

Date: 4-17-03

Number of pages including cover sheet: 25

To:

Michael Stogner

New Mexico OCD

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_

Fax phone: 505-476-3462

Re: Fort 21 #1 Lca Co., NM

From:

KIRK FARQUHAR

Land Manager

\_\_\_\_\_

kirkf@pecosproduction.com

Phone: 915-620-8480

Fax phone: 915-683-1628

REMARKS:     Urgent     For your review     Reply ASAP     Please comment

**Mr. Stogner:**

**Bill Huck wanted me to fax you these waivers and Ratifications. I am missing a ratification from the Fort Family Trust. It has been signed and was mailed Monday to me. The waiver and ratification for Hayes Land are the only ones missing. He is in Ireland and his attorney is on the lake. I have a call in to him to see if he would state that Hayes Land has seen the agreements and is agreeable. Hope to have this soon and will fax that to you. If you need anything else please feel free to call.**

Apr 15 03 01:35p

Cannon & Payne, CPR's

(806) 798-1042

P.2

04/15/2003 01:16 9156836970

GILMER ASSOC

PAGE 02



490 W. Illinois, Suite 1070, Midland, Texas 79701 (915) 670-0400 Office (915) 683-1628 Fax

Kirk Ferquhar  
Land Manager

April 15, 2003

TO: Offset Mineral Interests Owners  
Fort 21 #1 Well  
Section 21: S/2, T.14-S, R.34-E  
Lea Co., NM

RE: Waiver of Objection for Location

Pecos Production Company is making application to drill the subject wellbore to test the deeper Pennsylvanian formation. Since the location of 2,310' FNL and 1,978' FEL of Section 21, T-14-S, R-34-E, does not comply with current OCD rules, as it pertains to the upper Pennsylvanian formation which requires a 660' setback from quarter section lines. As a mineral interest owner in lands affected by the proposed location, a waiver of objection to this location is required.

If you have no objection, please sign and return the attached form as soon as possible. Your assistance is greatly appreciated.

Yours very truly,

PECOS PRODUCTION COMPANY

Kirk Ferquhar  
Land Manager

The undersigned hereby waives objection to the above referenced location for the drilling of the Fort 21 #1 as it pertains to the upper Pennsylvanian formation, as well as, any completion attempt in the upper Pennsylvanian formation.

Signed this 15<sup>th</sup> day of April, 2003.

By: Claudia Lee Walker

For: \_\_\_\_\_  
Company or Individual



400 W. Illinois, Suite 1070, Midland, Texas 79701 (915) 620-8480 Office (915) 683-1628 Fax

Kirk Farquhar  
Land Manager

April 15, 2003

TO: Offset Mineral Interests Owners  
Fort 21 #1 Well  
Section 21: S/2, T-14-S, R-34-E  
Lea Co., NM

RE: Waiver of Objection for Location

Pecos Production Company is making application to drill the subject wellbore to test the deeper Pennsylvanian formation. Since the location of 2,310' FNL and 1,978' FEL of Section 21, T-14-S, R-34-E, does not comply with current OCD rules, as it pertains to the upper Pennsylvanian formation which requires a 660' setback from quarter section lines. As a mineral interest owner in lands affected by the proposed location, a waiver of objection to this location is required.

If you have no objection, please sign and return the attached form as soon as possible. Your assistance is greatly appreciated.

Yours very truly,

PECOS PRODUCTION COMPANY

Kirk Farquhar  
Land Manager

The undersigned hereby waives objection to the above referenced location for the drilling of the Fort 21 #1 as it pertains to the upper Pennsylvanian formation, as well as, any completion attempt in the upper Pennsylvanian formation.

Signed this 16th day of April, 2003.

By Brett A. Graham

For: \_\_\_\_\_  
Company or Individual



485 W. Illinois, Suite 1070, Midland, Texas 79701 (915) 620-8400 Office (915) 683-1828 Fax

Kirk Farquhar  
Land Manager

April 15, 2003

TO: Offset Mineral Interests Owners  
Fort 21 #1 Well  
Section 21: S/2, T-14-S, R-34-E  
Lea Co., NM

RE: Waiver of Objection for Location

Pecos Production Company is making application to drill the subject wellbore to test the deeper Pennsylvanian formation. Since the location of 2,310' FNL and 1,978' PEL of Section 21, T-14-S, R-34-E, does not comply with current OCD rules, as it pertains to the upper Pennsylvanian formation which requires a 660' setback from quarter section lines. As a mineral interest owner in lands affected by the proposed location, a waiver of objection to this location is required.

If you have no objection, please sign and return the attached form as soon as possible. Your assistance is greatly appreciated.

Yours very truly,

PECOS PRODUCTION COMPANY

Kirk Farquhar  
Land Manager

The undersigned hereby waives objection to the above referenced location for the drilling of the Fort 21 #1 as it pertains to the upper Pennsylvanian formation, as well as, any completion attempt in the upper Pennsylvanian formation.

Signed this 15<sup>th</sup> day of April, 2003.

By: Wilmer C. Fort

For: Ray P. & Wilmer C. Fort Trust  
Company or Individual



400 W. White, Suite 1070, Midland, Texas 79701 (915) 628-9400 Office (915) 683-1628 Fax

Kirk Farquhar  
Land Manager

April 15, 2003

TO: Offset Mineral Interests Owners  
Fort 21 #1 Well  
Section 21: S/2, T-14-S, R-34-E  
Lea Co., NM

RE: Waiver of Objection for Location

Pecos Production Company is making application to drill the subject wellbore to test the deeper Pennsylvanian formation. Since the location of 2,310' FNL and 1,978' FEL of Section 21, T-14-S, R-34-E, does not comply with current OCD rules, as it pertains to the upper Pennsylvanian formation which requires a 660' setback from quarter section lines. As a mineral interest owner in lands affected by the proposed location, a waiver of objection to this location is required.

If you have no objection, please sign and return the attached form as soon as possible. Your assistance is greatly appreciated.

Yours very truly,

PECOS PRODUCTION COMPANY

Kirk Farquhar  
Land Manager

The undersigned hereby waives objection to the above referenced location for the drilling of the Fort 21 #1 as it pertains to the upper Pennsylvanian formation, as well as, any completion attempt in the upper Pennsylvanian formation.

Signed this 17 day of April, 2003.

By: Deborah L. Burnett - trustee

For: Fort Family Trust  
Company or Individual



400 W. Illinois, Suite 1070, Midland, Texas 79701 (915) 620-8480 Office (915) 683-1628 Fax

Kirk Farquhar  
Land Manager

April 15, 2003

TO: Offset Mineral Interests Owners  
Fort 21 #1 Well  
Section 21: S/2, T-14-S, R-34-E  
Lea Co., NM

RE: Waiver of Objection for Location

Pecos Production Company is making application to drill the subject wellbore to test the deeper Pennsylvanian formation. Since the location of 2,310' FNL and 1,978' FEL of Section 21, T-14-S, R-34-E, does not comply with current OCD rules, as it pertains to the upper Pennsylvanian formation which requires a 660' setback from quarter section lines. As a mineral interest owner in lands affected by the proposed location, a waiver of objection to this location is required.

If you have no objection, please sign and return the attached form as soon as possible. Your assistance is greatly appreciated.

Yours very truly,

PECOS PRODUCTION COMPANY

Kirk Farquhar  
Land Manager

The undersigned hereby waives objection to the above referenced location for the drilling of the Fort 21 #1 as it pertains to the upper Pennsylvanian formation, as well as, any completion attempt in the upper Pennsylvanian formation.

Signed this 15<sup>th</sup> day of April, 2003.

By: Michael [Signature]

For: Providence Minerals  
Company or Individual

Apr. 12 2003 11:35PM PT

PHONE NO. : 2145229337

FROM : PROVIDENCE ENERGY CORP



600 W. Street, Suite 1070, Midland, Texas 79701 (915) 620-8488 Office (915) 643-1428 Fax

Kirk Farquhar  
Lead Manager

FAX TO ↗

April 15, 2003

TO: Offset Mineral Interests Owners  
Fort 21 #1 Well  
Section 21: S/2, T-14-S, R-34-E  
Lea Co., NM

RE: Waiver of Objection for Location

Pecos Production Company is making application to drill the subject wellbore to test the deeper Pennsylvanian formation. Since the location of 2,310' FNL and 1,972' FEL of Section 21, T-14-S, R-34-E, does not comply with current OCD rules, as it pertains to the upper Pennsylvanian formation which requires a 660' setback from quarter section lines. As a mineral interest owner in lands affected by the proposed location, a waiver of objection to this location is required.

If you have no objection, please sign and return the attached form as soon as possible. Your assistance is greatly appreciated.

Yours very truly,

PECOS PRODUCTION COMPANY

Kirk Farquhar  
Lead Manager

The undersigned hereby waives objection to the above referenced location for the drilling of the Fort 21 #1 as it pertains to the upper Pennsylvanian formation, as well as, any completion attempt in the upper Pennsylvanian formation.

Signed this 16 day of April, 2003.

By: Wayne Newkumet

For: Wayne Newkumet  
Company or Individual

**RATIFICATION AND CONSENT TO POOLING AND/OR UNITIZATION**

**State:** New Mexico  
**County:** Lea  
**Owner:** Providence Minerals, LLC  
14860 Montfort Drive, Suite 209  
Dallas, TX 75254  
**Effective Date:** March 28, 2003

Owner, named above, is the owner of a mineral/royalty interest (the "Interest") in the Oil, Gas, and Mineral Leases (the "Leases") on the lands that are subject to those Leases (the "Lands"). The Leases and Lands are described in Exhibit "A" to this Ratification and Consent (the "Ratification").

The present owner of the working interest in the Leases desires to pool and/or unitize all or part of the Leases and Lands they cover in which Owner owns the Interest, with other lands that are not subject to the Leases. As evidence of this, the owners of the working interest have entered into a designation of pooled unit.

For adequate consideration, the receipt and sufficiency of which is acknowledged by Owner, Owner consents to, approves, and ratifies the pooling or unitization of Owner's Interest in the Lands, with other lands or leases, as if Owner was a party to the designation of pooled unit and/or unitization. Owner's Interest in the proceeds of production of oil and/or gas produced from a pooled unit in which all or part of the Leases and Lands are included, is to be paid on the same basis and manner, as the royalty reserved in the Leases.

This Ratification shall apply to all of Owner's Interest which may be pooled or unitized from time to time, and shall remain in effect so long as the Leases are in force and effect or sooner terminated by working interest owner(s).

For the consideration received, Owner agrees to execute any additional consents, ratifications, and writings, which the lessee (present or future) of the Leases may request to give full effect to Owner's consent and ratification.

Executed this 15<sup>th</sup> day of April, 2003, but shall be effective as of the Effective Date stated above.

Providence Minerals, LLC

By: Michael [Signature]  
Title: President

**EXHIBIT "A"**

**E/2 less N/2NWNE**

Lessor: Betty Rae Graham  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/777  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Claudia Sue Walker  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/779  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Wilma C. Fort, Trustee of the Roy P. & Wilma C. Fort Revocable Living Trust dated 5-4-93.  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/775  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Fort Family Trust  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/781  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Providence Minerals, LLC  
Lessee: Pecos Production Company  
Date: March 7, 2003

Recorded:

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

✓ Lessor: Wayne Newkumet  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/61

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land & Production Company  
Lessee: Pecos Production Company  
Date: October 29, 2002  
Recorded: 1205/63

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land Corporation  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/69

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

N/2NWNE

Lessor: M. McDonnold, et ux  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/75

Insofar as Lease Covers: N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 20 acres, more or less.

**RATIFICATION AND CONSENT TO POOLING AND/OR UNITIZATION**

**State:** New Mexico  
**County:** Lea  
**Owner:** Claudia Sue Walker  
8601 Miami  
Lubbock, TX 79423  
**Effective Date:** March 28, 2003

APR 15 2003

Owner, named above, is the owner of a mineral/royalty interest (the "Interest") in the Oil, Gas, and Mineral Leases (the "Leases") on the lands that are subject to those Leases (the "Lands"). The Leases and Lands are described in Exhibit "A" to this Ratification and Consent (the "Ratification").

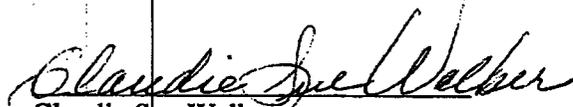
The present owner of the working interest in the Leases desires to pool and/or unitize all or part of the Leases and Lands they cover in which Owner owns the Interest, with other lands that are not subject to the Leases. As evidence of this, the owners of the working interest have entered into a designation of pooled unit.

For adequate consideration, the receipt and sufficiency of which is acknowledged by Owner, Owner consents to, approves, and ratifies the pooling or unitization of Owner's Interest in the Lands, with other lands or leases, as if Owner was a party to the designation of pooled unit and/or unitization. Owner's Interest in the proceeds of production of oil and/or gas produced from a pooled unit in which all or part of the Leases and Lands are included, is to be paid on the same basis and manner, as the royalty reserved in the Leases.

This Ratification shall apply to all of Owner's Interest which may be pooled or unitized from time to time, and shall remain in effect so long as the Leases are in force and effect or sooner terminated by working interest owner(s).

For the consideration received, Owner agrees to execute any additional consents, ratifications, and writings, which the lessee (present or future) of the Leases may request to give full effect to Owner's consent and ratification.

Executed this 9<sup>th</sup> day of April, 2003, but shall be effective as of the Effective Date stated above.

  
Claudia Sue Walker

**EXHIBIT "A"**

**E/2 less N/2NWNE**

Lessor: Betty Rae Graham  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/777

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Claudia Sue Walker  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/779

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Wilma C. Fort, Trustee of the Roy P. & Wilma C. Fort Revocable Living Trust dated 5-4-93.  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/775

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Fort Family Trust  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/781

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Providence Minerals, LLC  
Lessee: Pecos Production Company  
Date: March 7, 2003  
Recorded:  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Wayne Newkumet  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/61  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land & Production Company  
Lessee: Pecos Production Company  
Date: October 29, 2002  
Recorded: 1205/63  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land Corporation  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/69  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

N/2NWNE

Lessor: M. McDonnold, et ux  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/75  
Insofar as Lease Covers: N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 20 acres, more or less.

APR 15 2003

## RATIFICATION OF AND CONSENT TO POOLING DESIGNATION

**Owners:** M. McDonnold, Jr. and wife, Shirley J. McDonnold  
505 N. Big Spring, Suite 204, Midland, TX 79701-4347

**Effective Date:** March 28, 2003

**REFERENCE is made for identification purposes only to the following:**

1. That Designation of Pooled Unit dated March 28, 2003, recorded in Vol. \_\_\_\_\_, Page \_\_\_\_\_, Records of Lea County, New Mexico, by Pecos Production Company (the "Designation") creating a 320-acre gas-pooled unit consisting only of the E/2 of Section 21, T-14-S, R-34-E, NMPM, Lea County, New Mexico, limited to depths below the Atoka formation (the "Pooled Depths"), for the production therefrom of gas, condensate and other liquid hydrocarbons produced from a well classified as a gas well under the rules of the Oil Conservation Division of the Department of Energy, Minerals and Natural Resources of New Mexico.
2. That Oil and Gas Lease dated September 26, 2002, recorded in Volume 1205, Page 75, \_\_\_\_\_ Records of Lea County, New Mexico (the "Lease"), between M. McDonnold, Jr., et ux., as Lessor, and Pecos Production Company, as Lessee, covering the full mineral interest in the N/2 NW/4 NE/4 of said Section 21, containing 20 acres (the "Lands").

**RECITALS are made as follows:**

1. That Owners, named above, now own the full mineral interest (the "Interest") in the Lands; and
2. That Pecos Production Company now owns the full leasehold and working interest in the Lease.

For adequate consideration, the receipt and sufficiency of which are hereby acknowledged by Owners, Owners consent to, approve and ratify the pooling by Pecos Production Company of Owners' Interest with other leases and lands within said 320-acre gas-pooled unit, with the same effect as if Owners were parties to said Designation, subject to and as modified by the following provisions, each and all of which shall govern and prevail in the event of any conflict or variance with the provisions of said Designation:

1. *Royalty Payments.* Owners' Interest in the production of or proceeds from the sale of gas, condensate or other liquid hydrocarbons produced from a gas well completed in the Pooled Depths of said pooled unit shall be paid upon the same bases and manner as the royalty reserved in Owners' Lease.
2. *Amendments.* Notwithstanding the provisions of said Designation, no amendment, correction or alteration thereof which diminishes the percentage of unit production

allocable to the Lands shall be binding upon Owners or effective with respect to Owners' Interest without the prior written consent of Owners, which consent shall not be unreasonably withheld.

3. *Drainage.* Pecos Production Company agrees to protect said Pooled Depths of said pooled unit against offset, density or other drainage from wells outside said pooled unit as would a prudent operator.

4. *Development.* Pecos Production Company agrees to develop diligently said Pooled Depths of said pooled unit as would a prudent operator.

5. *Acceptance.* Unconditional acceptance hereof by Pecos Production Company and the attendant assumption of all obligations imposed upon it hereby shall be conclusively evidenced either by its permitting this Ratification to be filed for record in Lea County, New Mexico or by its retention of same for more than thirty (30) days after its receipt thereof.

6. *Inurement.* All provisions hereof shall be covenants running with the Land<sup>s</sup> and leasehold estates and shall be binding upon and inure to the benefit of Owners' heirs, devisees, legal representatives and assigns and Pecos Production Company's successors and assigns. *Survive*

EXECUTED April 11, 2003, but effective retroactive to the Effective Date.

M. McDonold, Jr.  
M. McDonold, Jr.

Shirley J. McDonold  
Shirley J. McDonold

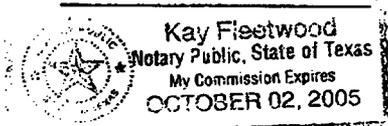
STATE OF TEXAS

COUNTY OF MIDLAND

This instrument was acknowledged before me on April 11, 2003, by M. McDonold, Jr. and wife, Shirley J. McDonold.

My commission expires:

Kay Fleetwood  
Notary Public, State of Texas



APR 14 2003

**RATIFICATION AND CONSENT TO POOLING AND/OR UNITIZATION**

**State:** New Mexico  
**County:** Lea  
**Owner:** Roy P. & Wilma C. Fort Revocable Trust  
1006 W. Ave. J  
Lovington, NM 88260  
**Effective Date:** March 28, 2003

Owner, named above, is the owner of a mineral/royalty interest (the "Interest") in the Oil, Gas, and Mineral Leases (the "Leases") on the lands that are subject to those Leases (the "Lands"). The Leases and Lands are described in Exhibit "A" to this Ratification and Consent (the "Ratification").

The present owner of the working interest in the Leases desires to pool and/or unitize all or part of the Leases and Lands they cover in which Owner owns the Interest, with other lands that are not subject to the Leases. As evidence of this, the owners of the working interest have entered into a designation of pooled unit.

For adequate consideration, the receipt and sufficiency of which is acknowledged by Owner, Owner consents to, approves, and ratifies the pooling or unitization of Owner's Interest in the Lands, with other lands or leases, as if Owner was a party to the designation of pooled unit and/or unitization. Owner's Interest in the proceeds of production of oil and/or gas produced from a pooled unit in which all or part of the Leases and Lands are included, is to be paid on the same basis and manner, as the royalty reserved in the Leases.

This Ratification shall apply to all of Owner's Interest which may be pooled or unitized from time to time, and shall remain in effect so long as the Leases are in force and effect or sooner terminated by working interest owner(s).

For the consideration received, Owner agrees to execute any additional consents, ratifications, and writings, which the lessee (present or future) of the Leases may request to give full effect to Owner's consent and ratification.

Executed this 11 day of April, 2003, but shall be effective as of the Effective Date stated above.

**Roy P. & Wilma C. Fort Revocable Trust**

By: Wilma C. Fort

Title: Administrator

**EXHIBIT "A"**

**E/2 less N/2NWNE**

Lessor: Betty Rae Graham  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/777  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Claudia Sue Walker  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/779  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Wilma C. Fort, Trustee of the Roy P. & Wilma C. Fort Revocable Living Trust dated 5-4-93.  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/775  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Fort Family Trust  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/781  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Providence Minerals, LLC  
Lessee: Pecos Production Company  
Date: March 7, 2003

Recorded:

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Wayne Newkumet  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/61

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land & Production Company  
Lessee: Pecos Production Company  
Date: October 29, 2002  
Recorded: 1205/63

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land Corporation  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/69

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

N/2NWNE

Lessor: M. McDonnold, et ux  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/75

Insofar as Lease Covers: N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 20 acres, more or less.

APR 11 2003

**RATIFICATION AND CONSENT TO POOLING AND/OR UNITIZATION**

**State:** New Mexico  
**County:** Lea  
**Owner:** Betty Rae Graham  
4909 Island Dr.  
Midland, TX 79707  
**Effective Date:** March 28, 2003

Owner, named above, is the owner of a mineral/royalty interest (the "Interest") in the Oil, Gas, and Mineral Leases (the "Leases") on the lands that are subject to those Leases (the "Lands"). The Leases and Lands are described in Exhibit "A" to this Ratification and Consent (the "Ratification").

The present owner of the working interest in the Leases desires to pool and/or unitize all or part of the Leases and Lands they cover in which Owner owns the Interest, with other lands that are not subject to the Leases. As evidence of this, the owners of the working interest have entered into a designation of pooled unit.

For adequate consideration, the receipt and sufficiency of which is acknowledged by Owner, Owner consents to, approves, and ratifies the pooling or unitization of Owner's Interest in the Lands, with other lands or leases, as if Owner was a party to the designation of pooled unit and/or unitization. Owner's Interest in the proceeds of production of oil and/or gas produced from a pooled unit in which all or part of the Leases and Lands are included, is to be paid on the same basis and manner, as the royalty reserved in the Leases.

This Ratification shall apply to all of Owner's Interest which may be pooled or unitized from time to time, and shall remain in effect so long as the Leases are in force and effect or sooner terminated by working interest owner(s).

For the consideration received, Owner agrees to execute any additional consents, ratifications, and writings, which the lessee (present or future) of the Leases may request to give full effect to Owner's consent and ratification.

Executed this \_\_\_\_ day of April, 2003, but shall be effective as of the Effective Date stated above.

  
Betty Rae Graham

**EXHIBIT "A"**

**E/2 less N/2NWNE**

Lessor: Betty Rae Graham  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/777  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Claudia Sue Walker  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/779  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Wilma C. Fort, Trustee of the Roy P. & Wilma C. Fort Revocable Living Trust dated 5-4-93.  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/775  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Fort Family Trust  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/781  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Providence Minerals, LLC  
Lessee: Pecos Production Company  
Date: March 7, 2003  
Recorded:

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

✓ Lessor: Wayne Newkumet  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/61

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land & Production Company  
Lessee: Pecos Production Company  
Date: October 29, 2002  
Recorded: 1205/63

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land Corporation  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/69

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM , except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

N/2NWNE

Lessor: M. McDonnold, et ux  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/75

Insofar as Lease Covers: N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 20 acres, more or less.

APR 11 2003

**RATIFICATION AND CONSENT TO POOLING AND/OR UNITIZATION**

**State:** New Mexico  
**County:** Lea  
**Owner:** Wayne Newkumet  
P. O. Box 11330  
Midland, TX 79702  
**Effective Date:** March 28, 2003

Owner, named above, is the owner of a mineral/royalty interest (the "Interest") in the Oil, Gas, and Mineral Leases (the "Leases") on the lands that are subject to those Leases (the "Lands"). The Leases and Lands are described in Exhibit "A" to this Ratification and Consent (the "Ratification").

The present owner of the working interest in the Leases desires to pool and/or unitize all or part of the Leases and Lands they cover in which Owner owns the Interest, with other lands that are not subject to the Leases. As evidence of this, the owners of the working interest have entered into a designation of pooled unit.

For adequate consideration, the receipt and sufficiency of which is acknowledged by Owner, Owner consents to, approves, and ratifies the pooling or unitization of Owner's Interest in the Lands, with other lands or leases, as if Owner was a party to the designation of pooled unit and/or unitization. Owner's Interest in the proceeds of production of oil and/or gas produced from a pooled unit in which all or part of the Leases and Lands are included, is to be paid on the same basis and manner, as the royalty reserved in the Leases.

This Ratification shall apply to all of Owner's Interest which may be pooled or unitized from time to time, and shall remain in effect so long as the Leases are in force and effect or sooner terminated by working interest owner(s).

For the consideration received, Owner agrees to execute any additional consents, ratifications, and writings, which the lessee (present or future) of the Leases may request to give full effect to Owner's consent and ratification.

Executed this 9 day of April, 2003, but shall be effective as of the Effective Date stated above.

  
\_\_\_\_\_  
Wayne Newkumet

**EXHIBIT "A"**

**E/2 less N/2NWNE**

Lessor: Betty Rae Graham  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/777  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Claudia Sue Walker  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/779  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Wilma C. Fort, Trustee of the Roy P. & Wilma C. Fort Revocable Living Trust dated 5-4-93.  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/775  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Fort Family Trust  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/781  
Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Providence Minerals, LLC  
Lessee: Pecos Production Company  
Date: March 7, 2003

Recorded:

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

✓ Lessor: Wayne Newkumet  
Lessee: Pecos Production Company  
Date: June 26, 2002  
Recorded: 1205/61

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land & Production Company  
Lessee: Pecos Production Company  
Date: October 29, 2002  
Recorded: 1205/63

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

Lessor: Hayes Land Corporation  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/69

Insofar as Lease Covers: All of the East-Half (E/2) of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, except the N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 300 acres, more or less.

N/2NWNE

Lessor: M. McDonnold, et ux  
Lessee: Pecos Production Company  
Date: September 26, 2002  
Recorded: 1205/75

Insofar as Lease Covers: N/2NW/4NE/4 of Section 21, T-14-S, R-34-E, N.M.P.M. Survey, Lea Co., NM, containing 20 acres, more or less.

**AFFIDAVIT OF FACT**

**State:** Texas  
**County:** Midland  
**Date:** April 16, 2003  
**Affiant:** Kirk Farquhar  
Pecos Production Company  
400 W. Illinois, Suite 1070  
Midland, Texas 79701

Affiant on oath swears that the following statements are true:

My name is Kirk Farquhar. I am over 21 years of age. I am Land Manager for Pecos Production Company located in Midland, Texas.

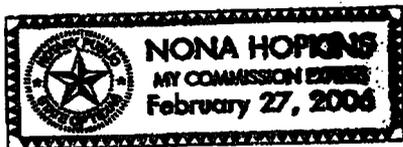
With respect to the unorthodox drilling location as it pertains to the upper Pennsylvanian formation of the Fort 21 No. 1 well, located 2,310' FNL & 1,978' FEL, Section 21, T-14-S, R-34-E, Lea County, New Mexico, the mineral ownership of the South-half (S/2) is common and is owned by Wayne Newkumet, Providence Minerals, LLC, Fort Family Trust, Claudia Sue Walker, Roy P. & Wilma C. Fort Revocable Living Trust, Betty Rae Graham, Hayes Land & Production Company and Hayes Land Corporation.

Affiant

  
Kirk Farquhar

THE STATE OF TEXAS \*  
\*  
COUNTY OF MIDLAND \*

SUBSCRIBED, AND SWORN TO AND ACKNOWLEDGED before me by the said Kirk Farquhar, under my hand and seal of office this 16<sup>th</sup> day of April, 2003.



  
Notary Public, State of Texas